

Media Release

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**Terry Harris, President & CEO of Rubber Wholesalers Inc.,
Is Georgia's 2006 Small Business Person of the Year**
--Company Sales Jumped from \$4 million to \$9 million in One Year--

Terry Harris, whose rubber recycling firm did \$9 million in sales last year, was selected the 2006 Small Business Person of the Year in Georgia by the U.S. Small Business Administration.

Harris received his statewide award on April 20th from Terri L. Denison, SBA Georgia District Director, at an Atlanta luncheon hosted by the Georgia Lenders Quality Circle. He was nominated for his SBA award by the University of Georgia Small Business Development Center in Dalton.

Terry Harris started his company 9 years ago as a wholesale producer of scrap rubber "buffings" that come from the top of recapped truck tires. "Unfortunately, when I started in the business you couldn't give the stuff away," recalled Harris. "Now, it is the most sought after part of used tires."

Stuck with piles of tire buffings in the early days, Harris realized he had to find an end use for his raw material in order to keep his company going. After studying the industry for several years, including a trip to Europe where rubber recycling was at the cutting edge, Harris managed to create a line of products that now includes rubber walking trails, rubber Flex Curbs, rubber safety surfaces for playgrounds and a loose-fill rubber mulch that has become his fastest selling product. The rubber mulch, processed with the company's unique coloring system, is used for ground cover around outdoor plants and shrubs and is not affected by moisture or insect.

The reinvention of Rubber Wholesalers Inc. into a manufacturer of recycled rubber products has bounced sales from \$4 million in 2004 to a whopping \$9.6 million last year. Sales reached over \$1 million in April of 2005, the first time revenues had reached this mark in a single month. At the same time, the company has added over 45 plant jobs in the last five years and reached 80 workers at the end of 2005 as demand heated up for its recycled rubber mulch. This product is now being sold coast-to-coast in 16 pound bags by a major retailer.

Two SBA guaranteed loans were made under the agency's 7(a) program that have helped finance the growth and expanded production at Rubber Wholesales. In early 2004, the company received a \$355,000 loan from Omni National Bank in Atlanta. Its second \$400,000 loan came from Omni Bank in first quarter of last year.



The first loan provided working capital and money that was used to purchase the company's 40,000 square-foot plant in Ranger. The second SBA-backed loan was used to buy additional equipment that has made production more automated and less labor intensive.

The Small Business Development Center (SBDC) in Dalton played a vital role in helping Harris find his initial financing. Jerry Sims, District Director of the Dalton SBDC, started working with him in early 2003 when the company had only 20 employees. After being turned down by several lenders who were not familiar with the recycling industry, Sims helped Harris with a business plan that he used in meeting with Omni Bank for his first loan. "We were impressed with Terry Harris," said Patrick Tracy of Omni Bank. "He had enough cash flow to handle the loan and he was doing a good job of managing his company."

The SBDC, a SBA resource partner, also helped Harris improve his internal accounting and cash flow management. Revenues for 2003 jumped by 47 percent over the previous year with major improvements in operating income. "Until we sat down with Jerry, we were cash-stripped," recalled Harris. "We could not expand our production capacity to the size we needed to be."

The company's rubber mulch business has grown to the point that it takes up about half of the plant production in Ranger. Harris has added 30,000 square-feet of additional storage space in another old textile mill in the Ranger area to meet growing demand. In addition, Harris is adding two industrial mixers for coloring the recycled rubber mulch, joining six mixers already on line.

With additional equipment coming on line, Harris says he expects to increase production of his rubber mulch by about 50 percent this year. Looking abroad, he has met with a potential joint venture partner to take the product into the European market.

Harris has a lot of help from his family. His wife, Susan, manages the front office while his daughter, Jennifer Harris, is plant manager. His son, Michael, is also involved as a production shift manager. A graduate of North Cobb High School, Harris ran an interior construction business in metro Atlanta for six years. A Vietnam-era veteran, he attended Kennesaw State University.

Disneyworld in Orlando was one of Rubber Wholesalers' first corporate customers, ordering its safety playground matting for the amusement park. Other customers have including the City of Atlanta, Georgia State Parks, and the DeKalb County School System in Georgia. The company has supplied rubber golf cart trails for the Arnold Palmer Country Club, Bay Hill in Orlando.

Sims, who nominated Harris for his SBA Award, says he has a special entrepreneurial chemistry. "Harris is a remarkable person," said Sims. "He built his business without the benefit of long-term debt, buying or building production equipment piecemeal out of the cash-flow of his company."

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